



# Third Quarter Fiscal Year 2025 Results

July 28, 2025

# Cautionary Statement

Information in this presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, including, but not limited to, our focus on growth, operational excellence and innovation, including the outcome of such efforts on our long-term success and shareholder value; our focus safety, quality, delivery, and cost improvements and the outcomes of such efforts; our anticipated growth trajectory and our ability to maintain it; the anticipated impacts of strategic efforts in our Aerospace and Industrial segments and their timing and impact on our business; our capital allocation strategy and its implementation; statements regarding our business, expectations and guidance for the fourth quarter and fiscal year 2025, our guidance for sales, segment sales growth as compared to the prior fiscal year, adjusted earnings per share, segment earnings margin, adjusted effective tax rate, free cash flow, capital expenditures, and diluted weighted average shares outstanding, as well as our assumptions and expectations regarding our guidance and the factors that may impact guidance, and anticipated trends in our business and markets. Factors that could cause actual results and the timing of certain events to differ materially from the forward-looking statements include, but are not limited to: (1) global economic uncertainty and instability, including a potential global or regional recession, inflation and the impact on customer demand and our costs and expenses; (2) changes in or uncertainty with respect to global trade and economic policy, including tariff levels and retaliatory measures; (3) risks related to constraints and disruptions in the global supply chain and labor markets; (4) Woodward's long sales cycle; (5) risks related to Woodward's concentration of revenue among a relatively small number of customers; (6) Woodward's ability to implement and realize the intended effects of any restructuring efforts; (7) Woodward's ability to successfully manage competitive factors including expenses and fluctuations in sales; (8) changes and consolidations in the aerospace market; (9) Woodward's financial obligations including debt obligations and tax expenses and exposures; (10) risks related to Woodward's U.S. government contracting activities including potential changes in government spending patterns; (11) Woodward's ability to protect its intellectual property rights and avoid infringing the intellectual property rights of others; (12) changes in the estimates of fair value of reporting units or of long-lived assets; (13) environmental risks; (14) Woodward's continued access to a stable workforce and favorable labor relations with its employees; (15) Woodward's ability to manage various regulatory and legal matters; (16) risks from operating internationally; (17) cybersecurity and other technological risks; and other risk factors and risks described in Woodward's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended September 30, 2024, any subsequently filed Quarterly Report on Form 10-Q, as well as its Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, which we expect to file shortly, and other risks described in Woodward's filings with the Securities and Exchange Commission. The forward-looking statements contained in this presentation are made as of the date hereof and Woodward assumes no obligation to update such statements, except as required by applicable law.

# Value Driver Pillars Deliver Differentiated Value For Shareholders

## Growth



## Operational Excellence



## Innovation



## Capital Allocation



“

*We delivered strong results in the third quarter underpinned by robust demand across our end markets, coupled with disciplined execution by our global teams. We remain focused on growth, operational excellence, and innovation, which continue to position Woodward to deliver sustained long-term shareholder value.”*

**– Chip Blankenship  
Chairman and Chief Executive Officer**

# Third Quarter Fiscal Year 2025 Summary



## Sales Up 8% YOY

Aerospace growth in Commercial Services and Defense OEM

Core Industrial growth in Marine Transportation and Oil & Gas

Lower China On-Highway, as expected

Power Generation flat, divestiture driven



## Net Earnings Up 6% YOY

Price realization

Higher volume

Unfavorable mix



## Strong Balance Sheet

YTD Free cash flow<sup>1</sup> of \$159M

1.5 times leverage

# Fiscal Year 2025 Summary



Capital Allocation

**\$79M**

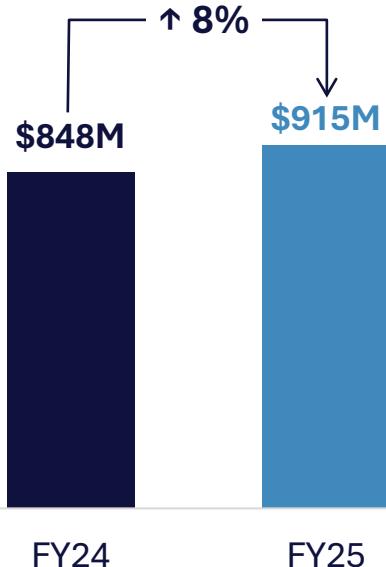
YTD Capital Expenditures

**\$172M**

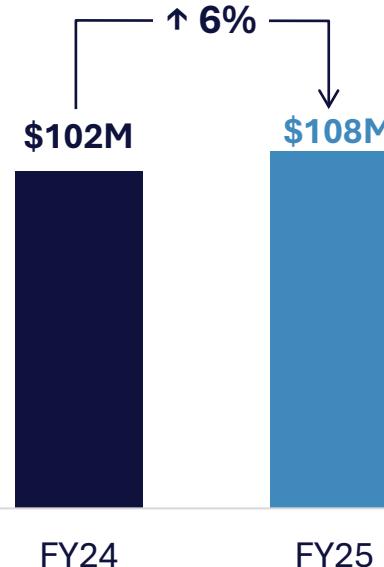
YTD Returned to Stockholders  
through dividends and share repurchases

# Q3 Fiscal Year 2025 Consolidated Results

## Net Sales



## Net Earnings



## Earnings Per Share (EPS)

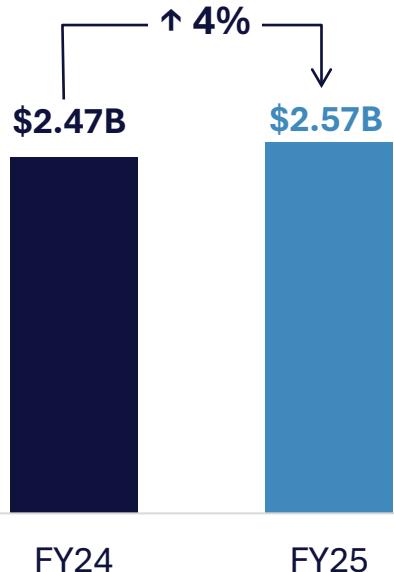


## Free Cash Flow



# Q3 YTD Fiscal Year 2025 Consolidated Results

## Net Sales



## Adjusted Net Earnings<sup>1</sup>

Reported Net Earnings  
\$290M YTD FY24; \$304M YTD FY25



## Adjusted EPS<sup>1</sup>

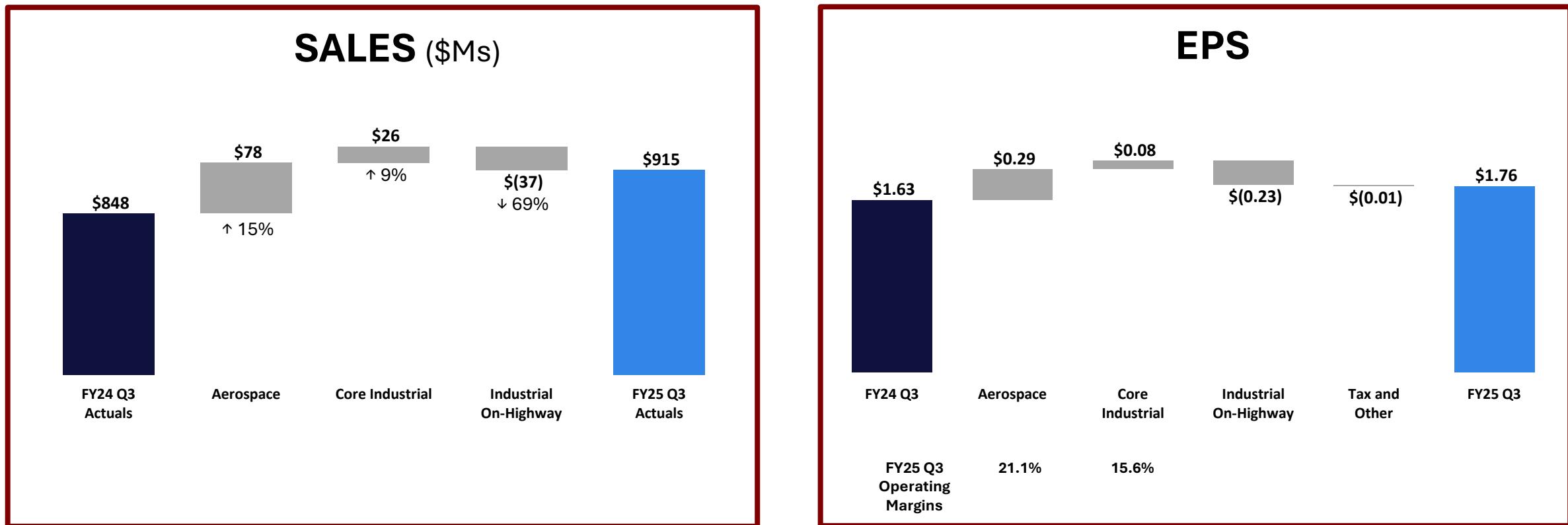
Reported EPS  
\$4.65 YTD FY24; \$4.96 YTD FY25



## Free Cash Flow

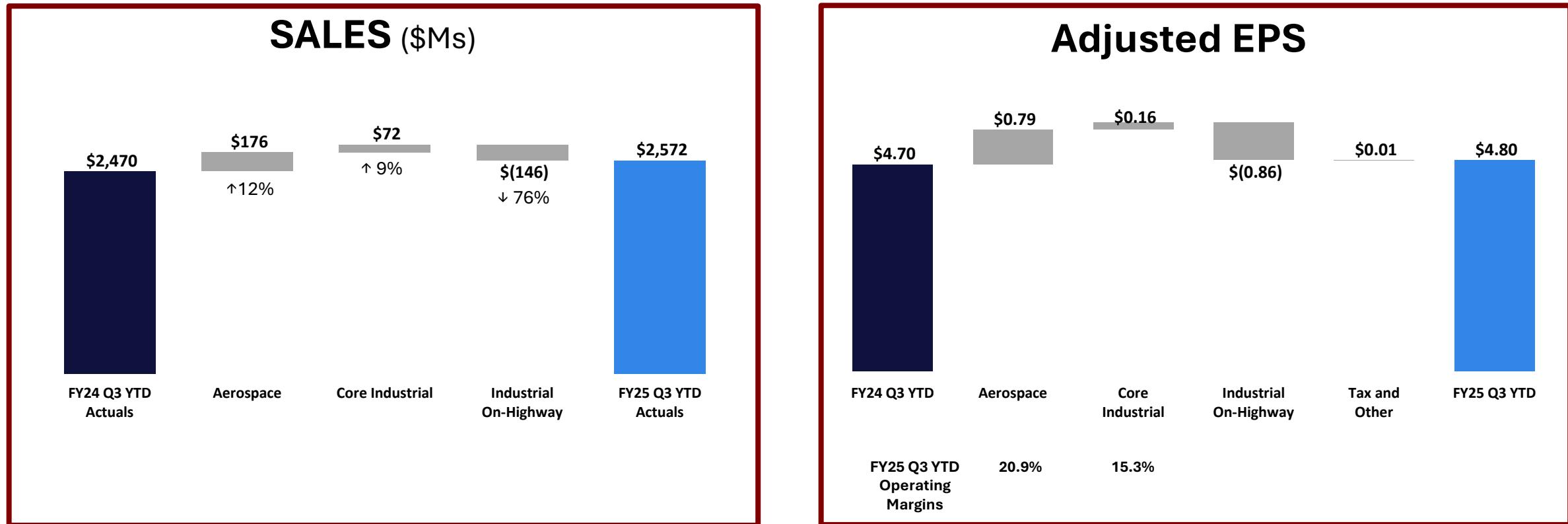


# Q3 Fiscal Year 2025 Sales & EPS Bridge



GROWTH IN AEROSPACE AND CORE INDUSTRIAL  
PARTIALLY OFFSET BY CHINA ON-HIGHWAY DECLINE

# Q3 YTD Fiscal Year 2025 Sales & Adjusted EPS Bridge



GROWTH IN AEROSPACE AND CORE INDUSTRIAL  
PARTIALLY OFFSET BY CHINA ON-HIGHWAY DECLINE

# Aerospace Overview

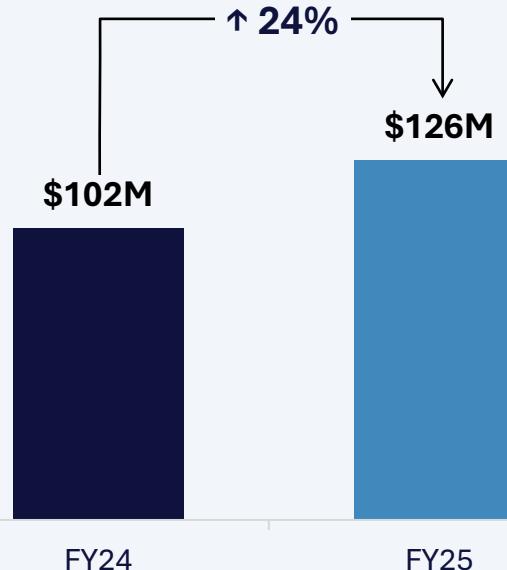


# Q3 Fiscal Year 2025 Aerospace Segment

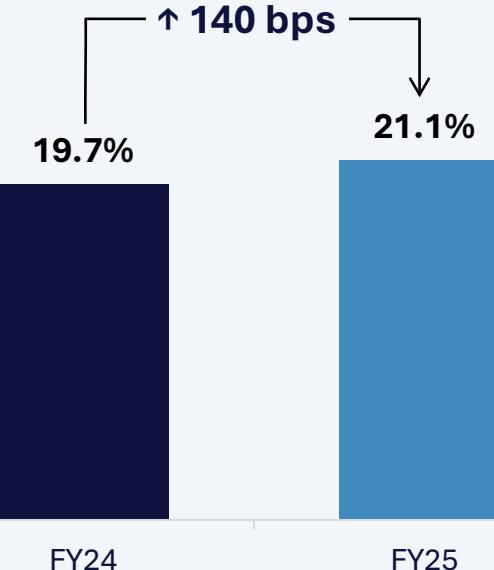
Sales



Earnings

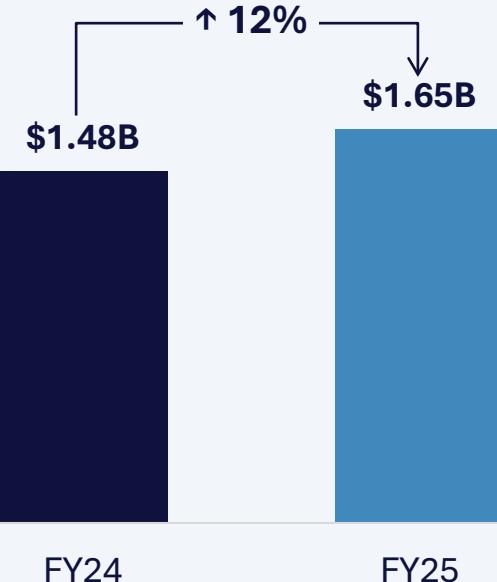


Margin

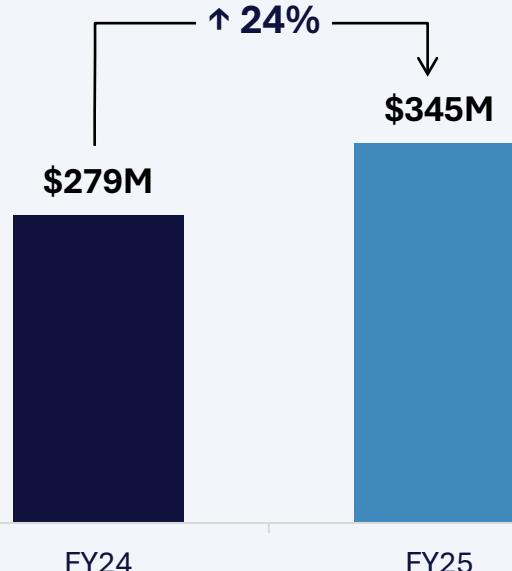


# Q3 YTD Fiscal Year 2025 Aerospace Segment

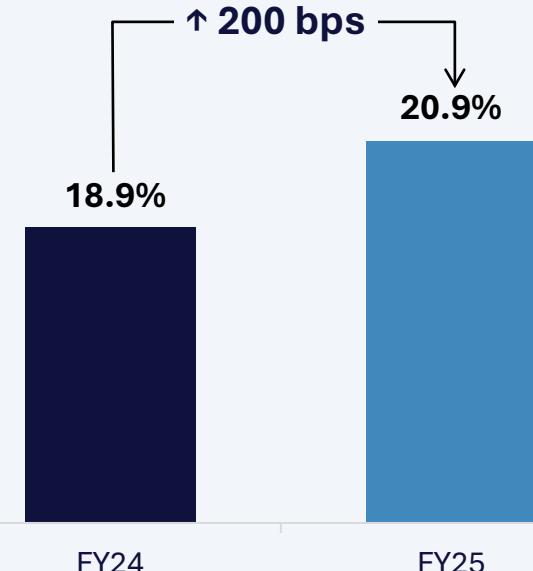
## Sales



## Earnings



## Margin



# Aerospace Commercial

Woodward Commercial  
**OEM Sales**  
Q3 FY24 to Q3 FY25

**8%**  
Decline

**Commercial OEM**  
Market Update

---

- OEM build rates continue to improve
- Industry supply chain challenges
- OEMs managing inventory



Woodward Commercial  
**Services Sales**  
Q3 FY24 to Q3 FY25

**30%**  
Growth

**Commercial Services**  
Market Update

---

- Air traffic remains solid
- High legacy aircraft utilization
- Current generation MRO ramping

# Aerospace Defense

Woodward Defense  
**OEM Sales**  
Q3 FY24 to Q3 FY25

**56%**  
Growth

**Defense OEM**  
Market Update

---

- Strong demand for defense products
- Robust smart defense order activity



Woodward Defense  
**Services Sales**  
Q3 FY24 to Q3 FY25

**16%**  
Decline

**Defense Services**  
Market Update

---

- Solid demand environment
- Steady operations tempo

# Executing Aerospace Strategy

## A350 spoiler actuation system win with Airbus

- Woodward's first primary flight control on a commercial platform
- Includes actuation systems for 12 of the 14 aircraft spoilers
- Long term service opportunities, including for our own hardware and strategic upgrades to legacy configurations
- Positions Woodward for the Next Single Aisle
- Investing in a new world-class, highly automated manufacturing facility to support the growth

## Acquired Safran's North America Electromechanical Actuation business

- Brings advanced electromechanical products and electronic control units including the A350 Horizontal Stabilizer Trim Actuation (HSTA) system
- Serving Airbus, Embraer, Gulfstream, and Dassault
- Positions Woodward for the Next Single Aisle

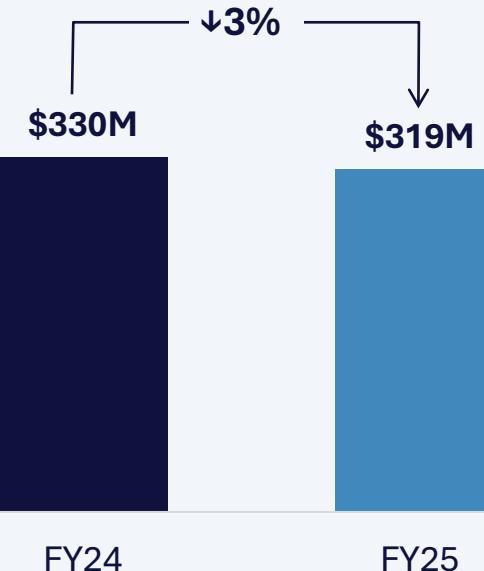


# Industrial Overview



# Q3 Fiscal Year 2025 Industrial Segment

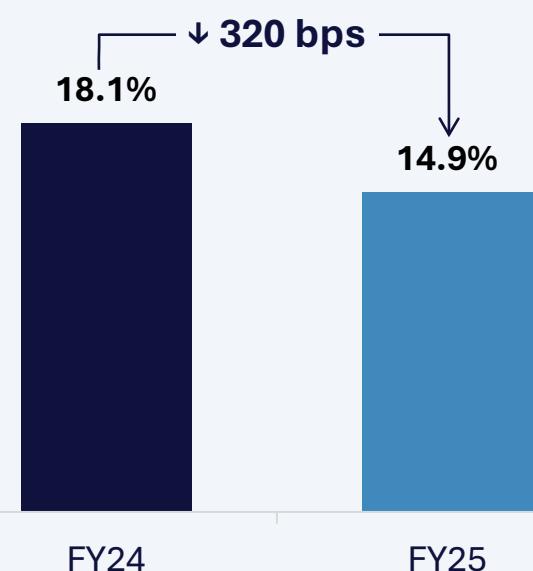
Sales



Earnings



Margin



# Q3 Fiscal Year 2025 Core Industrial

Sales



Earnings



Margin

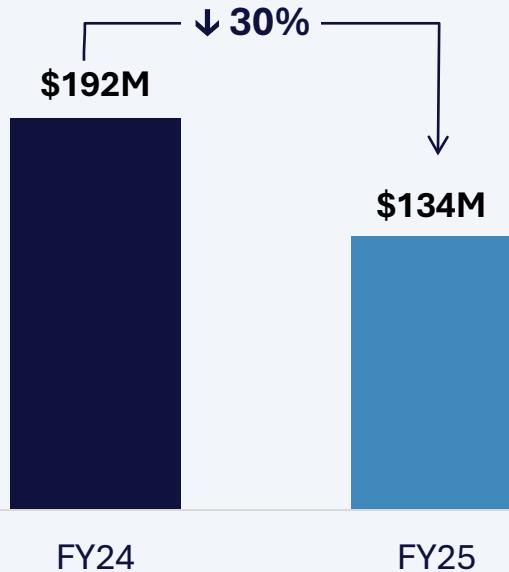


# Q3 YTD Fiscal Year 2025 Industrial Segment

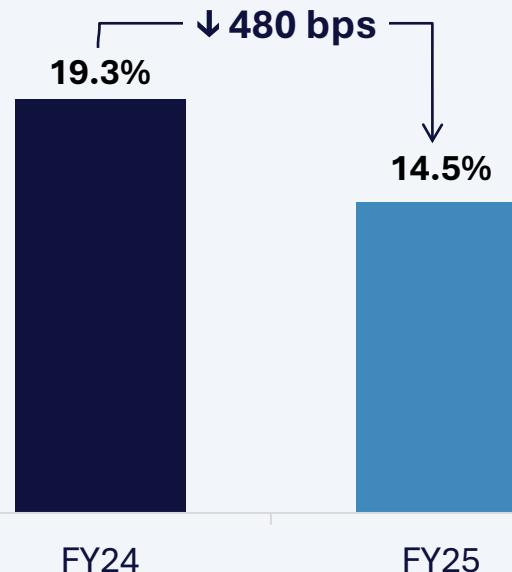
Sales



Earnings



Margin

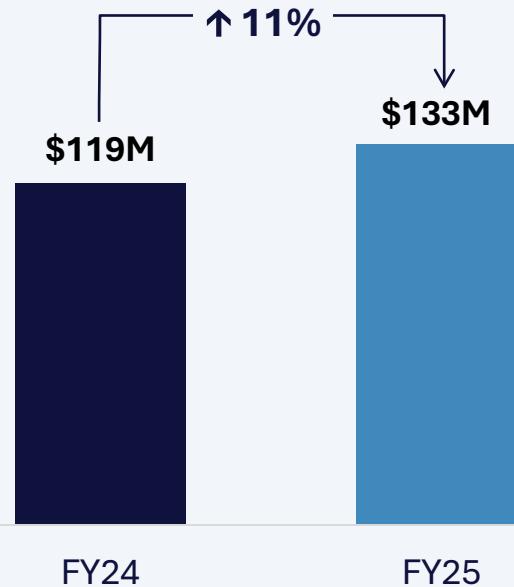


# Q3 YTD Fiscal Year 2025 Core Industrial Segment

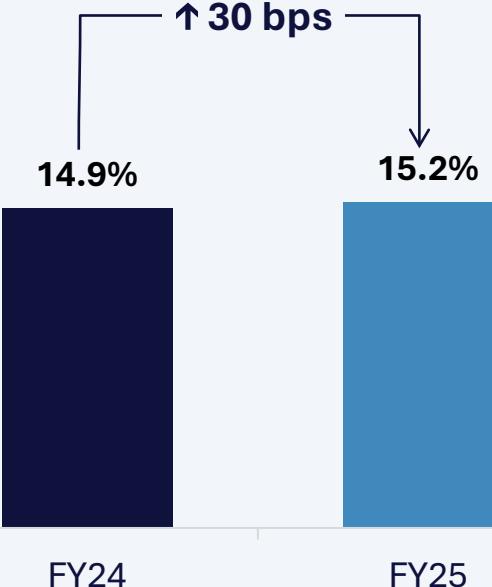
## Sales



## Earnings



## Margin



# Industrial



**~ Flat**

Woodward Power Gen Sales  
Q3 FY24 to Q3 FY25

## Power Generation

### Market Update

- Robust global demand for power generation
- Increasing investment in gas-powered generation for both primary and backup power for grid stability
- Growing demand for data centers and associated backup power



**12% Decline**

Woodward Transportation Sales  
Q3 FY24 to Q3 FY25

## Transportation

### Market Update

- Healthy global marine market with shipyards at capacity and high utilization
- Alternative fuel orders strong
- Dampened demand for heavy duty trucks in China



**16% Growth**

Woodward Oil & Gas Sales  
Q3 FY24 to Q3 FY25

## Oil & Gas

### Market Update

- Recent oil production declines on lower commodity prices
- Production efficiency gains impacting upstream services
- Positive outlook related to continued investment in refining and petrochemical activities in China, Middle East, and India

# Woodward Select Financial Results

In millions, except bps and percentages

	Quarter-to-Date			Year-to-Date		
	Q3 FY24	Q3 FY25	Change	Q3 FY24	Q3 FY25	Change
Gross Margin: % of Sales	27.1%	27.2%	10 bps	27.1%	26.4%	(70) bps
SG&A Expenses: % of Sales	8.7%	9.7%	100 bps	9.3%	9.4%	10 bps
R&D Expenses: % of Sales	4.6%	4.5%	(10) bps	4.3%	4.2%	(10) bps
Effective Tax Rate	16.4%	14.5%	(190) bps	17.8%	15.8%	(200) bps
Adjusted Effective Tax Rate <sup>1</sup>	-	-	-	17.8%	15.5%	(230) bps
EBITDA <sup>1</sup>	\$161	\$166	\$5	\$469	\$478	\$9
Adjusted EBITDA <sup>1</sup>	-	-	-	\$473	\$465	(\$8)
Cash From Operations	\$153	\$126	(\$27)	\$297	\$238	(\$59)
Capital Expenditures	\$16	\$27	\$11	\$72	\$79	\$7
Free Cash Flow	\$137	\$99	(\$38)	\$225	\$159	(\$66)

# Fiscal Year 2025 Guidance



# Fiscal Year 2025 Guidance

In millions, except EPS and percentages

	<b>Prior</b> FY25 Guidance Issued on April 28, 2025	<b>Revised</b> FY25 Guidance Issued on July 28, 2025
<b>Woodward</b>	Sales	\$3,375-\$3,500
	Adjusted Effective Tax Rate	~19%
	Free Cash Flow	\$350-\$400
	Capital Expenditures	~\$115
	Shares	~61.5
	Adjusted EPS	\$5.95-\$6.25
<b>Aerospace</b>	Sales	Up 8-13%
	Segment Earnings (% of Sales)	20-21%
<b>Industrial</b>	Sales	Down 7-9%
	Segment Earnings (% of Sales)	13-14%

# Appendix

# Non-U.S. GAAP Reconciliations

Note that there were no adjustments in the three months ended June 30, 2025 or June 30, 2024

		Nine Months Ended June 30			
		2025		2024	
	Net Earnings	Earnings Per Share	Net Earnings	Earnings Per Share	
<b>Net Earnings (U.S. GAAP)</b>	\$ 304,488	\$ 4.96	\$ 289,675	\$ 4.65	
Non-U.S. GAAP Adjustments					
Product rationalization <sup>1</sup>	(20,524)	(0.33)	-	-	
Non-recurring gain related to a previous acquisition <sup>1</sup>	-	-	(4,803)	(0.08)	
Business development activities <sup>1</sup>	7,310	0.12	5,902	0.09	
Certain non-restructuring separation costs <sup>2</sup>	-	-	2,666	0.05	
Tax Effect of Non-U.S. GAAP Net Earnings Adjustments	3,130	0.05	(729)	(0.01)	
<b>Total non-U.S. GAAP Adjustments</b>	<b>(10,084)</b>	<b>(0.16)</b>	<b>3,036</b>	<b>0.05</b>	
<b>Adjusted Net Earnings (Non-U.S. GAAP)</b>	<b>\$ 294,404</b>	<b>\$ 4.80</b>	<b>\$ 292,711</b>	<b>\$ 4.70</b>	

1. Presented in the line item "Other (income) expense, net" in Woodward's Condensed Consolidated Statement of Earnings.

2. Presented in item "Selling, general and administrative" expenses in Woodward's Condensed Consolidated Statement of Earnings.

# Non-U.S. GAAP Reconciliations

Note that there were no adjustments in the three months ended June 30, 2025 or June 30, 2024

**Woodward, Inc. and Subsidiaries**  
**Reconciliation of Net Earning to EBIT<sup>1</sup>**  
**(Unaudited – In thousands)**

	Three Months Ended June 30	
	2025	2024
Net Earnings (U.S. GAAP)	\$ 108,448	\$ 102,075
Income Tax Expense	18,388	20,021
Interest Expense	11,234	11,516
Interest Income	(838)	(1,728)
<b>EBIT (Non-U.S. GAAP)</b>	<b>137,232</b>	<b>131,884</b>

**Woodward, Inc. and Subsidiaries**  
**Reconciliation of Net Earning to EBITDA<sup>1</sup>**  
**(Unaudited – In thousands)**

	Three Months Ended June 30	
	2025	2024
Net Earnings (U.S. GAAP)	\$ 108,448	\$ 102,075
Income Tax Expense	18,388	20,021
Interest Expense	11,234	11,516
Interest Income	(838)	(1,728)
Amortization of intangible assets	7,172	8,131
Depreciation Expense	21,482	20,661
<b>EBITDA (Non-U.S. GAAP)</b>	<b>165,886</b>	<b>160,676</b>

# Non-U.S. GAAP Reconciliations

Note that there were no adjustments in the three months ended June 30, 2025 or June 30, 2024

## Woodward, Inc. and Subsidiaries

Reconciliation of Net Earning to EBIT<sup>1</sup> and Adjusted EBIT<sup>1</sup>  
(Unaudited – In thousands)

	Nine Months Ended June 30	
	2025	2024
Net Earnings (U.S. GAAP)	\$ 304,488	\$ 289,675
Income Tax Expense	57,165	62,765
Interest Expense	35,464	34,482
Interest Income	(3,236)	(4,494)
<b>EBIT (Non-U.S. GAAP)</b>	<b>393,881</b>	<b>382,428</b>
<b>Total non-U.S. GAAP Adjustments</b>	<b>(13,214)</b>	<b>3,765</b>
<b>Adjusted EBIT (Non-U.S. GAAP)</b>	<b>\$ 380,667</b>	<b>\$ 386,193</b>

## Woodward, Inc. and Subsidiaries

Reconciliation of Net Earning to EBITDA<sup>1</sup> and Adjust EBITDA<sup>1</sup>  
(Unaudited – In thousands)

	Nine Months Ended June 30	
	2025	2024
Net Earnings (U.S. GAAP)	\$ 304,488	\$ 289,675
Income Tax Expense	57,165	62,765
Interest Expense	35,464	34,482
Interest Income	(3,236)	(4,494)
Amortization of Intangible Assets	20,858	25,348
Depreciation Expense	63,238	61,494
<b>EBITDA (Non-U.S. GAAP)</b>	<b>477,977</b>	<b>469,270</b>
<b>Total non-U.S. GAAP Adjustments</b>	<b>(13,214)</b>	<b>3,765</b>
<b>Adjusted EBITDA (Non-U.S. GAAP)</b>	<b>\$ 464,763</b>	<b>\$ 473,035</b>

# Non-U.S. GAAP Reconciliations

**Woodward, Inc. and Subsidiaries**  
**Reconciliation of Income Tax Expense**  
**to Adjusted Income Tax Expense<sup>1</sup>**  
**(Unaudited – In thousands)**

	<b>Nine Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Income tax expense (U.S. GAAP)	\$ 57,165	\$ 62,765
Tax Effect of Non-U.S. GAAP Net Earnings Adjustments	(3,130)	729
<b>Adjusted Income Tax Expense (Non-U.S. GAAP)</b>	<b>\$ 54,035</b>	<b>\$ 63,494</b>
<b>Adjusted Income Tax Rate (Non-U.S. GAAP)</b>	15.5%	17.8%

**Woodward, Inc. and Subsidiaries**  
**Reconciliation of Cash Flow from Operating Activities**  
**to Free Cash Flow<sup>1</sup>**  
**(Unaudited – In thousands)**

	<b>Nine Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Net cash provided by operating activities (U.S. GAAP)	\$ 237,976	\$ 297,329
Payments for property, plant, and equipment	(78,537)	(72,193)
<b>Free cash flow (Non-U.S. GAAP)</b>	<b>\$ 159,439</b>	<b>\$ 225,136</b>

# Non-U.S. GAAP Reconciliations

**Woodward, Inc. and Subsidiaries**  
**Reconciliation of Industrial Net Sales**  
**(Unaudited – In thousands)**

	Three Months Ended June 30	
	2025	2024
China on highway natural gas truck sales	\$ 16,589	\$ 53,085
Core Industrial sales	302,867	277,043
<b>Industrial segment net sales (U.S. GAAP)</b>	<b>\$ 319,456</b>	<b>\$ 330,128</b>

**Woodward, Inc. and Subsidiaries**  
**Reconciliation of Industrial Net Sales**  
**(Unaudited – In thousands)**

	Nine Months Ended June 30	
	2025	2024
China on highway natural gas truck sales	\$ 47,138	\$ 193,390
Core Industrial sales	873,061	800,543
<b>Industrial segment net sales (U.S. GAAP)</b>	<b>\$ 920,199</b>	<b>\$ 993,933</b>

**Woodward, Inc. and Subsidiaries**  
**Reconciliation of Industrial Segment Earnings**  
**(Unaudited – In thousands)**

	Three Months Ended June 30	
	2025	2024
China on highway natural gas truck (loss) earnings	\$ 277	\$ 19,008
Core Industrial sales	47,345	40,709
<b>Industrial segment earnings (U.S. GAAP)</b>	<b>\$ 47,622</b>	<b>\$ 59,717</b>

**Woodward, Inc. and Subsidiaries**  
**Reconciliation of Industrial Segment Earnings**  
**(Unaudited – In thousands)**

	Nine Months Ended June 30	
	2025	2024
China on highway natural gas truck (loss) earnings	\$ 811	\$ 72,444
Core Industrial sales	132,975	119,398
<b>Industrial segment earnings (U.S. GAAP)</b>	<b>\$ 133,786</b>	<b>\$ 191,842</b>

# Non-U.S. GAAP Reconciliations

Note that there were no adjustments in the three months ended June 30, 2025 or June 30, 2024

<b>Woodward, Inc. and Subsidiaries</b> <b>Reconciliation of Non-Segment Expenses</b> <b>to Adjusted Non-Segment Expenses<sup>1</sup></b> <b>(Unaudited – In thousands)</b>			
	<b>Nine Months Ended June 30</b>		
	<b>2025</b>	<b>2024</b>	
Non-Segment Expenses (U.S. GAAP)	\$ (84,986)	\$ (88,709)	
Product rationalization	(20,524)	-	
Non-recurring gain related to a previous acquisition	-	(4,803)	
Business development activities	7,310	5,902	
Certain non-restructuring separation costs	-	2,666	
<b>Adjusted Non-Segment Expenses (Non-U.S. GAAP)</b>	<b>\$ (98,200)</b>	<b>\$ (84,944)</b>	

# Non-U.S. GAAP Measures

**1Adjusted and Non-U.S. GAAP Financial Measures:** Adjusted net earnings, adjusted earnings per share, adjusted EBIT, adjusted EBITDA, adjusted income tax expense, adjusted effective tax rate, and adjusted nonsegment expenses exclude, as applicable (i) product rationalization, (ii) a non-recurring gain related to a previous acquisition, (iii) costs related to business development activities, and (iv) certain non-restructuring separation costs. The product rationalization adjustment pertains to gains related to the elimination of certain product lines. The Company believes that these excluded items are short-term in nature, not directly related to the ongoing operations of the business, and therefore, the exclusion of them illustrates more clearly how the underlying business of Woodward is performing. Guidance with respect to non-U.S. GAAP measures as provided in this release excludes, as applicable, (i) product rationalization, and (ii) business development activities.

EBIT (earnings before interest and taxes), EBITDA (earnings before interest, taxes, depreciation and amortization), free cash flow, adjusted net earnings, adjusted earnings per share, adjusted EBIT, adjusted EBITDA, adjusted income tax expense, adjusted effective tax rate, and adjusted nonsegment expenses are financial measures not prepared and presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Management uses EBIT and adjusted EBIT to evaluate Woodward's operating performance without the impacts of financing and tax related considerations. Management uses EBITDA and adjusted EBITDA in evaluating Woodward's operating performance, making business decisions, including developing budgets, managing expenditures, forecasting future periods, and evaluating capital structure impacts of various strategic scenarios. Management also uses free cash flow, which is derived from net cash provided by or used in operating activities less payments for property, plant, and equipment in reviewing the financial performance of Woodward's various business segments and evaluating cash generation levels. Securities analysts, investors, and others frequently use EBIT, EBITDA, and free cash flow in their evaluation of companies, particularly those with significant property, plant, and equipment, and intangible assets that are subject to amortization. The use of any of these non-U.S. GAAP financial measures is not intended to be considered in isolation of, or as a substitute for, the financial information prepared and presented in accordance with U.S. GAAP. Because adjusted net earnings, adjusted earnings per share, EBIT, EBITDA, adjusted EBIT, and adjusted EBITDA exclude certain financial information compared with net earnings, the most comparable U.S. GAAP financial measure, users of this financial information should consider the information that is excluded. Free cash flow does not necessarily represent funds available for discretionary use and is not necessarily a measure of our ability to fund our cash needs. Woodward's calculations of EBIT, EBITDA, adjusted net earnings, adjusted earnings per share, adjusted EBIT, adjusted EBITDA, adjusted effective tax rate, adjusted nonsegment expenses, and free cash flow may differ from similarly titled measures used by other companies, limiting their usefulness as comparative measures.

**2Website, Facebook, LinkedIn:** Woodward has used, and intends to continue to use, its Investor Relations website, LinkedIn page, and Facebook page as means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD.



Powering a clean future

 **WOODWARD**